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Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
 LLC,  
 Debtor.

Chapter 11  
 Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

Date: February 15, 2007  
 Time: 9:30 a.m.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☒ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC

**DECLARATION OF THOMAS J.  
 ALLISON IN SUPPORT OF DEBTORS'  
 OPPOSITION TO THE MOTION FOR  
 RELIEF FROM FILED BY ESTATE OF  
 DANIEL TABAS AND FERRITA  
 ENTERPRISES, INC.**

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1 I, Thomas J. Allison, hereby declare, verify and state as follows:

2 1. I am the President and Chief Restructuring Officer of USA Commercial Mortgage  
3 Company ("USACM") and the Manager and Chief Restructuring Officer of each of the four other  
4 debtors in these jointly administered chapter 11 cases, namely USA Securities LLC ("USA  
5 Securities"), USA Capital Realty Advisors LLC ("USA Realty"), USA Capital Diversified Trust  
6 Deed Fund ("DTDF"), and USA Capital First Trust Deed Fund ("FTDF," and collectively with  
7 USACM, USA Securities, USA Realty, DTDF, and FTDF, the "Debtors").

8 2. This Declaration is based upon my personal knowledge or, if so stated, upon  
9 information and belief. I make this Declaration in support of the DEBTORS' OPPOSITION TO  
10 THE MOTION FOR RELIEF FROM STAY TO TERMINATE LOAN SERVICING  
11 AGREEMENT FOR COLT GATEWAY LOAN FILED BY ESTATE OF DANIEL TABAS  
12 AND FERRITA ENTERPRISES, INC.

13 3. Prior to the Petition Date, USACM acted as the loan servicing agent for the loan to  
14 Colt Gateway, LLC (the "Colt Gateway Loan"), and DTDF owns (and continues to own) a  
15 substantial interest in the Colt Gateway Loan.

16 4. The Debtors' Third Amended Plan of Reorganization (the "Plan") was confirmed at  
17 a hearing held on December 20, 2006. The order confirming the Plan was entered on January 8,  
18 2007. [Docket No. 2376].

19 5. As part of the Plan, substantially all of the assets of FTDF and certain assets of  
20 USACM, including the servicing rights to most of the loans currently being serviced by USACM,  
21 are being sold to Compass Partners LLC ("Compass"). The servicing of the Colt Gateway Loan is  
22 not included in the assets sold to Compass; rather, under the Plan, DTDF will become the servicer  
23 and DTDF, which is not selling any assets to Compass, retains its interest in the loan.

24 6. The Debtors are currently working with Compass to close the asset sale, which is  
25 currently expected to close on or about February 14, 2007, and the "Effective Date" of the Plan  
26 will occur soon after the closing is complete (the "Effective Date").

27 7. USACM's post-petition management has worked diligently and in good faith to  
28

1 fulfill USACM's duties as loan servicer on the Colt Gateway Loan and has spend a significant  
2 amount of time negotiating with the borrower a proposed payoff of the Colt Gateway Loan and  
3 related loans. In my business judgment, a foreclosure of the Colt Gateway Loan at any point  
4 during these Chapter 11 proceedings would not have been in the best interests of the direct lenders  
5 on that loan nor in the best interests of the direct lenders in other related loans to the same  
6 borrower.

7 8. The collateral for the Colt Gateway Loan consists of only a portion of the entire  
8 Colt project, and the valuation of the portion that secures the Colt Gateway Loan is uncertain.

9  
10 I declare, under penalty of perjury, that, to the best of my knowledge, information and  
11 belief, that the foregoing is true and correct.

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15 Thomas J. Allison  
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